

*Fort Monmouth Economic  
Revitalization Planning Authority*



Planning Beyond the Gate

*Annual Report*

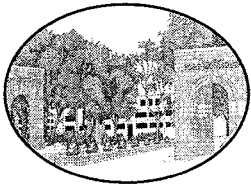
*For the period ended June 30, 2008*

# Fort Monmouth Economic Revitalization Planning Authority

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## Fort Monmouth Economic Revitalization Planning Authority

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### Report from the Executive Director of the Fort Monmouth Economic Revitalization Planning Authority

In accordance with Executive Order No. 37 issued by Governor Jon S. Corzine on September 26, 2006, the Fort Monmouth Economic Revitalization Authority's 2008 Annual Report also serves as the comprehensive report of the Authority's initial formation, organization and operations since it was created in April 2006.

The Authority is well on its way toward realizing its primary task of producing a Land-Use Plan, Economic Revitalization Study and Infrastructure Studies, to address the reuse and redevelopment of Fort Monmouth, which is slated to close in September 2011 in accordance with BRAC law. The Authority is also nearing completion on its State and Local Screening process which will result in Legally Binding Agreements with Homeless Providers to satisfy the Homeless Assistance requirements of our Homeless Assistance Submission to the U.S. Department of Housing and Urban Development ("HUD"), due September 8, 2008.

We expect to meet our deadline for submission of the Local Redevelopment Authority Application to both HUD and the U.S. Army on September 8, 2008. Our focus will then shift to one of planning for implementation of the plan, business attraction and our continuing focus on jobs creation and economic revitalization in the region.

The report of independent auditors Leonard G. Birnbaum and Company, LLP, dated October 15, 2008, is attached and completes the Authority's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

In addition, I certify that during the period from the Authority's inception through June 30, 2008, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

Sincerely,  


Frank C. Cosentino  
Executive Director



## Background

The Fort Monmouth Economic Revitalization Planning Authority ("FMERPA"), a public body corporate and politic and an instrumentality of the State of New Jersey (the "State"), was created in April of 2006 by the State Legislature with the approval of P.L.2006, c. 16. P.L. 2006, c. 16 was subsequently amended by P.L. 2008, c. 28. The Authority's ten member board, nine voting members, consists of four members appointed by the Governor (four votes), the CEO/Secretary of the New Jersey Commerce, Economic Growth and Tourism Commission designee (one vote), the Mayors of Eatontown, Tinton Falls and Oceanport (three individual votes), one Member of the Monmouth County Board of Chosen Freeholders (one vote), one Representative of Fort Monmouth to be appointed by the United States Department of Defense (non-voting). The Authority's Board is dedicated to creating a beneficial and viable Reuse and Redevelopment Plan ("Plan") for the Fort.

The Authority was created for the purpose of preparing a comprehensive conversion and revitalization plan for the territory encompassed by Fort Monmouth, a United States Department of Defense military installation. The Authority's task is to work with the public, government officials and other interested parties to develop a comprehensive conversion and revitalization plan for the territory encompassed by Fort Monmouth in a manner that will promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare; conserve the natural resources of the state; and advance the general prosperity and economic welfare of the people in the affected communities and the entire state by cooperating and acting in conjunction with other organizations, public and private, to promote and advance the economic use of the facilities located at Fort Monmouth. The Authority's objective being the building of a consensus in the formulation of the Plan through the use of a highly iterative process involving the various stakeholders and encouraging public input.

*The Authority was created for the purpose of preparing a comprehensive conversion and revitalization plan for the territory encompassed by Fort Monmouth.*



*Fort Monmouth Economic Revitalization Planning Authority Board Members: (Seated l-r) Public Member Laurie Cannon, Freeholder Director Lillian Burry, Vice Chair Virginia Bauer, Public Member Rose Estephan (Standing l-r) Eatontown Mayor Gerald Tarantolo, Garrison Commander Col. Stephen Christian, Chair Dr. Robert Lucky, Oceanport Mayor Michael Mahon, Tinton Falls Mayor Peter Maclearie*

The Fort consists of 1,126 acres of which 637 acres comprise the Main Post and 489 acres the Charles Wood and Sun Eagles golf course area. Eight (8) acres, including the Garrison Headquarters Building, were requested by the Federal Emergency Management Agency during the federal screening period, creating a federal enclave within the redevelopment. The Fort is bordered by the jurisdictions of Eatontown, Oceanport and Tinton Falls, all within Monmouth County, New Jersey. The Plan and the Homeless Assistance Submission (HAS) being developed are scheduled to be submitted to the United States Departments of Defense and Housing and Urban Development on or before September 8, 2008. (Please note that the Reuse Plan and Homeless Assistance Submission was submitted to the federal authorities on September 4, 2008.)

## Getting Started

The Authority's early meetings were held by the Board through the summer of 2006, at which operating guidelines and other procedural matters were established. In September 2006 the board extended an offer of employment to Frank C. Cosentino as Executive Director of FMERPA. Shortly after commencing his responsibilities on October 2, 2006, Mr. Cosentino arranged for temporary office space and communications for the Authority by entering into a month-to-month lease agreement with Main Office Executive Suites. The search for permanent office space was initiated.

After the required advertising and search process and Board approval, the Executive Director (ED) extended offers of hire to Mr. Richard Harrison as Deputy Director, and Ms. Kathryn Verrochi as Executive Assistant. These hires took place on December 11, 2006. Additional staffing took place during the next quarter with the hiring of an Administrative Assistant on February 5, 2007 and an Accountant on March 5, 2007, upon Board approval.

With the hiring of the staff accountant, signatory controls over the bank accounts were reviewed and confirmed as well as the confirmation of strict accounting controls over all expenditures. Further, the FMERPA revised and refined operating and other budgets based on the additional employees and the projected lease costs for the permanent offices. This in turn allowed FMERPA to secure the appropriate OEA funding in combination with the State's matching funds.

Subsequently, suitable office space to accommodate the staff and prospective growth was located within reasonable proximity to Fort Monmouth, and with the assistance of the Office of the Attorney General, a multi-year lease was negotiated. Also during this period, FMERPA gained considerable experience in project management and interaction with governmental agencies with the hiring of a Project Manager on August 6, 2007.

The permanent offices were completely furnished and equipped through the purchase

of used furniture, which existed in empty office spaces in the local market. These furnishings were purchased at a fraction of their value and were supplemented by equipment from the State of New Jersey surplus furniture and office equipment warehouse. The offices at 2-12 Corbett Way, Eatontown, NJ were occupied by FMERPA on August 24, 2007, after which IT infrastructure and connectivity services were established with the assistance of the State's Office of Information Technology.

One of the cornerstones of FMERPA is complete transparency, combined with keeping the general public current on all aspects of the operation. Towards this end it was determined that it was essential to establish the appropriate website capability so that critical information could be posted and made available to the public on a current and continuing basis.

The FMERPA website, <http://nj.gov/fmerpa>, was rolled-out in early 2007, with the considerable assistance of the Office of Information Technology staff, Julie Garland and Margaret Gryczon. Since that time, numerous upgrades have been made by the FMERPA staff, and the website has evolved into a dynamic tool enabling FMERPA to interface with the public, providing the public with up-to-date substantive information, such as reports by the Planning Team, as well as notices of upcoming meetings and minutes of prior meetings. With the introduction of the user-friendly feature "AskFMERPA", an online comment form, the website has enabled the Authority to respond to the public comments and questions in a timely manner. Additionally, this forum allows for the questions to be viewed by all visitors to the FMERPA website thus enhancing the educational experience offered by the site. The FMERPA website has drawn unsolicited praise for its thoroughness and the relevance of its content.

The Authority recognizes the tremendous economic challenge which the conversion of Fort Monmouth represents and, accordingly, is working towards a reuse plan which is grounded in market reality, optimally leverages the existing base infrastructure and facilities, and yields a triple bottom line benefit (social, environmental and economic) for the Host Communities, the County and the State. The Fort Monmouth





properties offer many revitalization opportunities that will be beneficial to the State, region and local communities. These opportunities include:

- Industrial and commercial development (job retention and creation);
- Smart growth housing and development;
- Recreational amenities;
- Reduction in sprawl, congestion and traffic problems;
- Solutions to existing mass transit problems;
- Compliance with the state mandated Council on Affordable Housing round 3 obligations (NJ Fair Housing Act of 1985) as it applies to the FMHC ([www.state.nj.us/dca/coah](http://www.state.nj.us/dca/coah) See Round 3 Resources);
- Research and Development opportunities for the public, private and government sectors;
- Increased presence of Federal Agencies to support regional initiatives;
- Opportunities for homeless providers to improve and or expand their services.

However, it must be noted that very few of these challenges can be converted to opportunities without the appropriate funding or private investments.

Further – the Reuse Plan must create “a Sustainable Technology Community that promotes Governor Corzine’s Economic Initiatives with a framework model for redevelopment & reuse that:

- Promotes the Technology Corridor Initiative
- Is consistent with State, County & Municipal planning policy
- Focuses on job replacement & employee training
- Is founded in market and economic analysis
- Addresses Homeless, COAH & Workforce housing needs
- Leverages Fort assets (People, Infrastructure, Location)
- Is a Green Community Model”.

The process of creating a Reuse Plan and an Economic Revitalization Plan is both complex and highly iterative. Recognition of these challenges is just one step. There must also be a set of guiding principles established and utilized as guideposts throughout the process.

These principles start with the requirements detailed in the forming Legislation. In addition, there are a number of Operating Principles which have been established, as follows:

- All work, activities, and transactions must have total public transparency.
- Development of the Reuse and Economic Revitalization plans must be a collaborative effort.
- Recognize and incorporate, to the extent possible, the Master Plan expectations of the affected communities.
- Maintain and honor the history of the site.
- Monitor other regional developments and coordinate to the extent possible.
- Incorporate sound environmental and energy efficient concepts.
- Balance housing needs of all economic strata.
- Identify market realities and anticipate changing conditions.
- Generate jobs across a broad spectrum of income.
- Seek the input and commitment of the educational community.

The strategic objectives are consistent with and supportive of the aforementioned Operating Principles.

- Integrate State Agencies and Departments into the Plan development and vetting process.
- Integrate Monmouth County Departments into the Plan development and vetting process.

The availability of approximately 1,118 developable acres provides a unique opportunity to develop “smart growth” alternatives and create a sustainable environment for current and future residents. Toward that goal, the Authority began its search for the master planning team.

## **The Master Plan**

On February 27, 2007, a Request for Proposal (“RFP”) was issued for a Reuse and Redevelopment Planning Consultant. A mandatory Pre-proposal Conference was held on March 13, 2007, which was attended by 85

*A press conference was held on June 4, 2007 to introduce the team and the path forward.*

representatives of 61 companies from 11 states. Eight bid submissions were received on March 30<sup>th</sup> in response to the Authority’s RFP. Two bidders were selected as finalists based on a scored technical evaluation completed by a 5-member Team. Oral Presentations held on April 23<sup>rd</sup> for the finalists resulting in the selection of the EDAW Inc. team. This selection was confirmed by a unanimous vote of the Board at the Authority’s April 25<sup>th</sup> meeting. The Master Planning Team was presented at FMERPA’s May 16<sup>th</sup> meeting at which they presented a synopsis of their approach to the formulation of the plan for reuse and redevelopment of Fort Monmouth. The Team members are: EDAW Inc.; Economics Research Associates; STV Inc.; Matrix Design Group, Inc.; Reichman Frankle Inc.; A. Nelessen Associates, Inc.; Farewell Mills and Gatsch Architects LLC; Donald Powers Architects, Inc.; and Banisch Associates, Inc.

The EDAW Team began work in May with a team project initiation meeting and a tour of the Fort Monmouth property. A press conference was held on June 4, 2007, at Gibbs Hall to introduce the team and the path forward to the press and to announce the details for the first Community Workshop/Meeting, which was held on June 12<sup>th</sup>. Over 350 people attended the Workshop held at the Pollak Auditorium at Monmouth University, which introduced the visioning process and announced the scheduling of four Community Charettes, which were held later in June, one in each of the affected communities and one in the county seat of Freehold.

The Consulting team and the Authority Staff, with the cooperation of the Army Garrison at Fort Monmouth, spent the rest of the summer, researching and evaluating the existing conditions of the Fort including a building facilities assessment, an environmental study, a



traffic study, an infrastructure evaluation and a market assessment. Further studies were done on the employment implications of the Fort Closure. In September EDAW released Technical Reports documenting their findings on the existing conditions. These reports were reviewed by state, county and local agencies. Ongoing meetings with various stakeholders continued through the end of 2007 and into 2008. Meetings were held with representatives of Monmouth County, NJ Department of Transportation, NJ Turnpike Authority, NJ Transit, housing advocates, local school districts, and local planning organization. Work also continued surrounding environmental issues, historical and cultural issues, and workforce issues.

In January 2008, a report entitled “A Foundation for an Initial Concept for the Redevelopment and Reuse of Fort Monmouth” was developed and distributed for comment. This report, formulated internally by Authority staff, represented a summary of all data and information developed (Technical Memoranda from the EDAW Team and other Advisory Committee input) and gathered to date and recommendations that resulted from the analysis of this data. These recommendations were then reviewed in the context of the Governor’s Initiatives and utilized by EDAW to develop a framework for a preliminary land-use plan.

On March 19, 2008, the Preliminary Plan was released and presented at a special meeting held at Monmouth Regional High School. The “AskFMERPA” link was set-up at this time to receive comments from the public on the preliminary plan. Hundreds of comments and questions and answers were received and posted to the FMERPA website in weekly postings. On April 21, 23 and 30, the Draft Plan was presented to the three-host community planning boards in Eatontown, Tinton Falls and Oceanport respectively. Comments received from these meetings were used to update the plan and a Draft Final Plan was submitted to each of the three host communities on June 30, 2008, in accordance with state statute, starting their formal 45-day review period.

In April, an updated final Traffic and Transportation Technical Memorandum was received, as well as a draft Economic



Revitalization Study. The Economic Study has received some high level attention and is going to be reworked during the coming months by Economic Resources Associates.

### **Shared Emergency Services**

With the impending closure of Fort Monmouth and relocation of the mission, the region will be faced with replacing the services supplied to the area by Fort Monmouth and the Fort’s personnel. Additionally, the affected communities of Eatontown, Oceanport and Tinton Falls will be faced with the added burden (responsibility) of supplying the redeveloped Fort property with Police and Court services, Fire, First Aid and Emergency Services.

In planning for the successful reuse, redevelopment and revitalization of this Federal property (Fort Monmouth) the replacement of essential services currently provided by Fort Monmouth and the personnel at Fort Monmouth (involved area residents and employees) must be considered. To mitigate the impact of the loss of services provided by the Fort, Police, Court, Fire, First Aid and Emergency Services the Authority engaged a consultant to conduct a study on behalf of the affected communities of Eatontown, Oceanport and Tinton Falls. The surrounding communities rely heavily on Fort Monmouth’s paid service providers. Planning for the economic replacement of the vital services currently provided by the Fort is an essential component of the Authority’s redevelopment/reuse mission. The completion of this study will contribute to the development of a model for the implementation of the sharing of the above essential services.



The FMERPA issued a Request For Proposal (“RFP”) for a Shared Emergency Services Consultant, which was then advertised in appropriate media outlets. The process of reviewing all the applicants followed a prescribed course to ensure fairness and transparency. The review team, consisting of an Authority Board member, State advisor and Authority staff, considered each application independent of one another. A Bidder’s checklist was completed for each proposal to verify that the minimum requirements of the RFP are met. Score sheets based on the sections of the RFP were given to each evaluator to complete for each proposal. It was stipulated that no one share their scores until all were completed. Authority staff performed an in-depth review of the cost for the review team’s consideration. The consultant was selected based on their score and cost. The review team then presented their recommendation to the Authority Board for a formal vote.

Following the process of approval from the FMERPA Board on April 16, 2008, Jersey Professional Management (“JPM”) was awarded the Shared Emergency Services Feasibility Study RFP. The Shared Emergency Services Feasibility Study RFP was officially approved and awarded on May 01, 2008. This contract was a six-month effort effective from date of FMERPA Board approval of April 16, 2008, the Final Recommendation due in July 2008.

Communications were daily and constant from start to end. There was emphasis to the strict enforcement of the contract language, as well as, guidelines, rules of engagement, and expectations. The contract consisted of the three host communities and six nearby towns.

The four contractually required tasks were: Court Services, which included five physical site visits, tours, interviews with judges and court personnel with multiple telephonic interviews and follow-ups; Police/Office of Emergency Management Services (OEM), which included thirteen physical site visits, tours, interviews with police and OEM personnel with multiple telephonic interviews and follow-ups; Fire/EMS Services, which included nine physical site visits, tours, interviews with fire and EMS personnel with multiple telephonic interviews and follow-ups; and Nearby Towns, that included eleven

*Communications were daily and constant from start to end.*

physical site visits, tours, interviews with nearby towns’ mayors, court, police, OEM, fire and EMS personnel with multiple telephonic interviews and follow-ups. For each of the four tasks, deliverables included a Draft and Final Report. The Draft Report for each task was due on May 27, 2008 and the Final Report for each task and the final Feasibility Study Recommendation due in July. During the course of this timeline, bi-weekly meetings occurred between FMERPA and JPM, monthly meetings occurred between FMERPA and the Emergency Services Advisory Committee and separate meetings on specific task topics were conducted between FMERPA and the mayors of the host communities. Regular updates were provided at the monthly FMERPA Board meetings. Separately, bi-weekly status was provided to the Board members that represented the County and Host Communities. Ongoing efforts to facilitate sharing of emergency services, derived from this study, will continue accordingly.

### **The LRA Application – Homeless Assistance Submission and NOI Screening Process**

In addition to the to the Redevelopment Plan, the Local Redevelopment Authority Application includes the Homeless Assistance Submission with a summary of the public comments. Outreach and garnering public input is an integral function of the Authority and began soon after the Authority was formed. As upon the publication by the Army of the listing of surplus buildings and property, the Authority advertised their availability.

The notice of Surplus Property and Solicitation of Notices of Interest was advertised by the Fort Monmouth Economic Revitalization Authority on September 9, 2006. The solicitation for Notices of Interest (“NOIs”)

for homeless assistance was widely distributed seeking responses from State, county or local government agencies and from private, nonprofit organizations that provide or propose to provide services to homeless persons and/or families residing in Monmouth County, New Jersey. A BRAC Workshop and Tour of Fort Monmouth for homeless assistance providers was advertised on September 9, 2006. The BRAC Workshop took place on October 17, 2006. A tour of Fort Monmouth took place on October 19, 2006. The deadline for submission of NOIs to the Authority set forth in the advertised solicitation for Homeless Assistance NOIs, as well as for Public Benefit Conveyance NOIs, was March 8, 2007. Outreach by the Authority continued throughout the 180-day time period and subsequent to the NOI submission deadline. On March 8, 2007, the Authority received fourteen (14) Homeless Assistance NOIs. These Homeless Assistance NOIs were then summarized and assigned alpha designations by Authority staff so that the Homeless Assistance NOIs could be reviewed and categorized by the Authority's Social Services Advisory Committee (the "SSAC") anonymously and without disclosure of sensitive and confidential information regarding financial and organizational capabilities.

Beginning after the March 8, 2007 submission deadline, the SSAC began to collect data and information from Monmouth County, the Homeless Assistance NOI submitters and other homeless assistance providers. The SSAC also held open public meetings to discuss issues and to listen to information and concerns from the Homeless Assistance NOI submitters and other homeless assistance providers. The SSAC visited at least one facility being operated by each Homeless Assistance NOI submitter to gain a better understanding of the services and operations being provided as well as to ask questions regarding what the Homeless Assistance NOI submitter saw as the unmet needs and priorities in the community. The SSAC, the Authority staff, and the Garrison staff at Fort Monmouth conducted tours of potential facilities for reuse as homeless assistance facilities. Also the Chair of the SSAC personally participated in the January 2008 Point-In-Time Survey process conducted by the Monmouth County Department of Human Services.

As previously stated, on April 25, 2007, the Authority appointed a Reuse and Redevelopment Planning Consultant, EDAW. As the Reuse Plan drafting evolved, consideration was given to buildings and facilities requested in the Homeless Assistance NOIs. The Master Planner, in conjunction with Authority staff, mapped the potential Homeless Assistance NOI conveyances to buildings and facilities slated for reuse and redevelopment, conducted additional tours for Homeless Assistance and Public Benefit Conveyance NOI submitters and provided building plans and details to such submitters for determination of suitability by the Homeless Assistance and Public Benefit Conveyance NOI submitters.

*The SSAC held open public meetings to discuss issues and to listen to information and concerns.*

On October 11, 2007, the Authority sent a letter to Patrick O'Brien, Director, Office of Economic Adjustment ("OEA"), U.S. Department of Defense ("DoD"), requesting a 270-day extension of time to submit the Reuse Plan and the Homeless Assistance Submission. Linda Charest, BRAC Coordinator, U.S. Department of Housing and Urban Development ("HUD"), was consulted by the Authority prior to the extension request being sent. The extension request was approved by Patrick O'Brien, OEA, DoD in a letter to the Authority dated November 21, 2007. The effect of the approved extension request was to set September 8, 2008 as the new deadline for submittal of the Reuse Plan and the Homeless Assistance Submission to HUD and DoD.

In March 2008, an NOI Evaluation Checklist was developed by the Authority and made available to the public. A request was sent by the Authority to all of the private, nonprofit Homeless Assistance NOI submitters requesting additional financial information, namely audited financial statements. The audited financial statements received were reviewed and analyzed



by the Authority Accountant/Treasurer. Using the NOI Evaluation Checklist, an evaluation team, consisting of two (2) Authority Board Members and two (2) Authority staff members, scored each Homeless Assistance NOI submitted. The scores were compiled and analyzed by Authority staff along with the financial evaluations.

The SSAC's proposal for making homeless accommodations was reported at a SSAC meeting held on June 17, 2008. The Chair of the SSAC gave a report presenting the SSAC's proposal concerning homeless accommodations to the Authority at a Special Public Meeting of the Authority held on June 24, 2008. At the June 24, 2008 Special Meeting, a resolution was adopted by the Authority authorizing the Authority staff and professionals to commence negotiations with the Homeless Assistance NOI submitters.

The following reflects the needs of the homeless identified by the SSAC for accommodation in the Reuse Plan and Homeless Assistance Submission:

### **Needs Identified in the Monmouth County Continuum of Care**

- (a) Maintain the existing Monmouth County Emergency Shelter
  - The existing emergency shelter is the only Monmouth County emergency shelter for single adults. Not replacing the emergency shelter would have the effect of creating an unmet need where one did not exist previously. The current emergency shelter must be relocated due to its current location being within a FEMA Flood Plain Area.
- (b) Increasing/emergent need for emergency housing for families identified in the 2008 Monmouth County Point-in-Time Survey
  - The Monmouth County adult emergency shelter does not accommodate families; other county-funded programs serve only the lowest income (welfare) families.
- (c) Unmet need for victims of domestic violence and their children.
- (d) Permanent Supportive Housing
  - Increasing Permanent Supportive

Housing is the predominant homeless accommodation need in Monmouth County.

- There is a need for housing for all those persons currently in emergency and transitional housing plus those homeless persons who are currently unsheltered. (Point-in-Time surveys put the number of persons in need from between 600 and 1,500.)
- The 2005-2007 Monmouth County Continuum of Care ("MCCoC") Application states that the unmet need is at 350 family units necessary to accommodate 900 persons.
- MCCoC has an objective of 200 units for Chronic Homeless to be added to the Monmouth County inventory in ten (10) years.

To provide flexibility and maximum usage of available permanent supportive housing by all subpopulations, including the Chronic Homeless, the SSAC proposed and the Authority decided, to create a Permanent Supportive Housing Bank. Participants in the "Bank" are required to meet the following qualifications:

- (1) Building rehabilitation and maintenance as a core competence;
- (2) A proven track record of providing permanent supportive housing;
- (3) A proven track record of working with homeless assistance providers listed in the Monmouth County Continuum of Care;
- (4) The endorsement and pledge of cooperation by the other Homeless Assistance NOI submitters who will be participating in the Bank;
- (5) A solid history of financial performance and capacity to carry out the requirements set forth by HUD for the next thirty (30) years.

It is proposed that the permanent supportive housing units be scattered throughout the various development areas outlined in the Reuse Plan and that these permanent supportive housing units be accommodated in existing buildings and facilities targeted for reuse or in newly-constructed buildings or facilities.

## Outreach

Throughout the current planning, redevelopment and reuse plan initiatives, the Authority has maintained a commitment to public solicitation and outreach. By means of a series of meetings, speaking engagements, advertisements, workshops, and tours, the Authority consistently and constantly created opportunities for public input, for community outreach and for a free flow of information regarding the planning process and the screening process for the Homeless Assistance and Public Benefit Conveyance Notices of Interest (NOI).

In addition to the 29 public Authority Board meetings, there have been 67 Advisory Committee meetings, 61 presentations or meetings with public groups, 9 Public Workshops and Hearings and many “one-on-one” meetings with advocacy groups and NOI submitters.

### Tours

With the cooperation and efforts of the U.S. Army Garrison at Fort Monmouth, 56 tours were conducted on the Fort Monmouth property. These tours ranged in nature from two full busloads of people for a 3 hour windshield tour to single person visits to one building. There were tours that focused on environmental areas of concern, developers’ interests, NOI submitters, interested citizens, law enforcement and emergency management, various government officials, religious leaders and healthcare providers. The Authority would like to express its appreciation to Former Garrison Commander Col. Ricki Sullivan, current Garrison Commander Col. Stephen Christian and Garrison BRAC Implementation Team Leader Louis Benevides for their unwavering support of these efforts.

The Social Services Advisory Committee also toured facilities of the fourteen (14) Homeless Assistance NOI submitters to learn more about their operations and the types of accommodations being requested.

### Presentations and Briefings

Consistent with attempts to attain a wide variety of opinions and suggestions as well as to keep the public informed about the ongoing planning process, Executive Director Frank Cosentino and Deputy Director Rick Harrison

*The Authority has maintained a commitment to public solicitation and outreach.*

met with various individuals and organizations to brief them on the status of the planning efforts as referenced in the paragraphs above. These groups included: The New Jersey State Legislators for the affected districts; the New Jersey Congressional Delegation; the Two Rivers Council of Mayors; the Monmouth Ocean Development Council; the Eastern Monmouth Area Chamber of Commerce; the Oceanport Senior Citizens; Tinton Falls Seabrook Village tenants; The Professional Women in Construction; Industrial Commercial Real Estate Women Inc; the Monmouth County Human Services Advisory Council; the Monmouth County A-Team; the Coastal Monmouth Planning group; the Society of American Military Engineers; Eatontown, Oceanport and Tinton Falls School officials; Eatontown, Oceanport and Tinton Falls planning officials; the Monmouth County Workforce Investment Board; and others. All formal presentations have been posted to the Authority website.

### Website

The Authority Website has been the public’s predominant source for information on Authority meeting schedules and activities as well as our body of work. The website has been averaging 31,000 hits per month and 27,807 visits. The website has also generated an average of 3,600 downloads of Authority planning documents and presentations per month. In the other direction of communication, our “AskFMERPA” webpage has generated hundreds of questions and comments from the public. This was significant immediately following the release of our Preliminary Plan. All of those comments and questions were documented and answered or explained via a weekly posting.



## Going Forward

### The Process to Plan Submittal

Present the Plan at Public Hearings in each of the host communities;  
Public Hearing on the Plan, Local Redevelopment Application (LRA) and Homeless Assistance Submission;  
Respond to comments on the Plan;  
FMERPA's Board Approves Reuse Plan and LRA Application Submission;  
Governor approves minutes of FMERPA's Board meeting approving submission;  
Reuse Plan and LRA Application Submitted to Department of Housing and Urban Development and the Department of Defense.



### The Process Post Plan Submittal

Legislate/Form Implementation LRA;  
HUD Approves LRA Application;  
Develop disposition and conveyance strategy;  
Develop and initiate personal property strategy;  
Complete NEPA process on environmental, historic and cultural issues and concerns;  
Refine and initiate business attraction and marketing strategies collaboratively;  
Coordinate and initiate workforce-training requirements with NJDOL and educational institutions.  
Property transfers.



## Financial Statements

See Appendix A for the audited comparative financial statements for the fiscal years ended June 30, 2008 and 2007 along with the report of the independent public accountants.

# Fort Monmouth Economic Revitalization Planning Authority

## Authority Board Members

Chair Dr. Robert Lucky  
Vice Chair Virginia Bauer  
Freeholder Director Lillian Burry  
Eatontown Mayor Gerald Tarantolo  
Oceanport Mayor Michael Mahon  
Tinton Falls Mayor Peter Maclearie  
Public Member Laurie Cannon  
Public Member Rose Estephan  
Garrison Commander Col. Stephen Christian

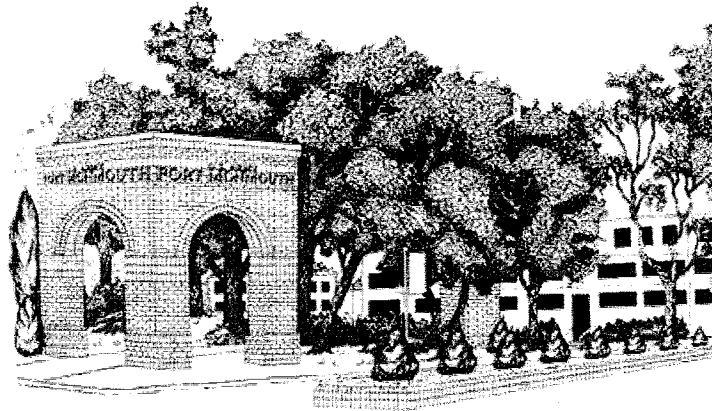
## Authority Staff Members

Frank Cosentino, Executive Director  
Rick Harrison, Deputy Director  
Kathryn Verrochi, Executive Assistant  
Beverlee Akerblom, CPA, Accountant/Treasurer  
Diane Canterbury, Project Manager  
Jeanne Gannon, Administrative Assistant





FORT MONMOUTH ECONOMIC REVITALIZATION  
PLANNING AUTHORITY



FISCAL YEARS 2008 AND 2007  
FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
INDEPENDENT AUDITOR'S REPORTS AND  
FINANCIAL STATEMENTS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) represents the Authority's financial performance during the fiscal years ended June 30, 2008 and 2007. The Authority's audited financial statements are presented in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis is an element of a reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*, issued June 1999.

### Audit Assurance

The unqualified opinion of our independent auditors, Leonard G. Birnbaum and Company, LLP is included in this report.

This section presents management's analysis of the Authority's financial condition and activities for the year. This information should be read in conjunction with the attached financial statements.

### Financial Highlights

As a recognized Local Redevelopment Authority (LRA) the Authority is eligible for financial assistance through the Defense Economic Adjustment Program and the President's Economic Adjustment Committee. The Office of Economic Adjustment (OEA) is the Department of Defense's primary source for assisting communities that are adversely impacted by Defense program changes such as base closures. Grant assistance is available in organizing and planning economic recovery in response to the closure of military installations. This program has no statutory formula. Generally, not less than 10 percent of the project's total proposed funding is to be comprised of non-federal sources.

The Authority has recorded \$1,352,437 (\$1,279,501 cash and \$72,936 increase in grant receivable) in Office of Economic Adjustment (OEA) federal grant funds and \$150,000 from the State of New Jersey which was applied to meet the ten percent non-federal match for the fiscal year ended June 30, 2008 as required under the terms of the federal grant.

Total assets at year-end were \$471,730 and exceeded liabilities of \$380,249. Net assets total \$91,481 at June 30, 2008 an increase of \$734 from June 30, 2007 net assets total of \$90,747.

### Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance.

The financial statements report information about the Authority using full accrual accounting methods as utilized by similar business activities in the private sector. The financial statements include a Statement of Financial Position; a Statement of Functional Expenses; a Statement of Activities; a Statement of Cash Flows; and notes to the financial statements.

The Statement of Financial Position presents the financial position of the Authority on a full accrual historical cost basis. This statement presents information on all of the Authority's assets and liabilities, with

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

the difference reported as net assets. Over time, increases and decreases in net assets is one indicator of whether the financial position of the Authority is improving or deteriorating.

While the Statement of Financial Position provides information about the nature and amount of resources and obligations at year-end, the Statement of Activities presents the results of the business activities over the course of the fiscal year and information as to how the net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Included in the financial statements is the Statement of Functional Expenses presented for the purpose of additional analysis. The Statement of Functional Expenses show expenses by their function and natural classification.

The Statement of Cash Flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The Notes to the Financial Statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

### Summary of Organization and Business

The Fort Monmouth Economic Revitalization Planning Authority (the "Authority"), a public body corporate and politic and an instrumentality of the State of New Jersey (the "State"), was created in April of 2006 by the State Legislature by the approval of P.L.2006, c16 was subsequently amended by P.L.2008 c.28.

The Authority was created for the purpose of preparing a comprehensive conversion and revitalization plan for the territory encompassed by Fort Monmouth, a United States Department of Defense military installation. The Authority is in the process of developing the redevelopment and economic revitalization plans for the Fort's conversion from a military facility to civilian and public use. The Fort consists of approximately 1,126 acres of which about 637 acres comprise the Main Post and 489 acres the Charles Wood and Sun Eagles golf course area. The Fort is located within the jurisdictions of Eatontown, Oceanport and Tinton Falls, all within the Monmouth County, New Jersey. The Reuse Plan and the "Homeless Assistance Submission" (HAS) being developed are scheduled to be submitted to the United States Departments of Defense and Housing and Urban Development on or before September 8, 2008. (Please note that the Reuse Plan and "Homeless Assistance Submission" was submitted to the federal authorities on September 4, 2008)

### Financial Analysis

The attached financial statements and other selected information serve as key financial data and indicators for management, monitoring and planning.

### Contacting the Authority's Management

Any questions about the Authority's report or if additional information is needed, please contact the Executive Director of the Fort Monmouth Economic Revitalization Planning Authority, at 2-12 Corbett Way, Eatontown, New Jersey 07724, or visit our website at: <http://nj.gov/fmerpa/>.



FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT,

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS,

AND

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

June 30, 2008 and 2007

Leonard G. Birnbaum & Company, LLP  
Certified Public Accountants  
41 River Road  
Summit, New Jersey 07901-1426  
(908) 273-2844

FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

The Audit Committee  
Fort Monmouth Economic Revitalization Planning Authority

We have audited the accompanying statements of financial position of Fort Monmouth Economic Revitalization Planning Authority as of June 30, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Fort Monmouth Economic Revitalization Planning Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether these financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fort Monmouth Economic Revitalization Planning Authority as of June 30, 2008 and 2007, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated, October 15, 2008 on our consideration of Fort Monmouth Economic Revitalization Planning Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Our audits were performed for the purpose of forming our opinion on the financial statements that collectively comprise Fort Monmouth Economic Revitalization Planning Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Authority has provided a statement entitled "Management's Discussion and Analysis" in compliance with Government Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Except for confirming that the "Financial Highlights" figures agree with the financial statements, we did not audit this information and express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the entity, and the federal awarding agency and is not intended to be and should not be used by anyone other than these specified parties.

*Leonard H. Birnbaum and Company, LLP*

Summit, New Jersey  
October 15, 2008

FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY

STATEMENT OF FINANCIAL POSITION

	ASSETS			
	June 30, 2008		June 30, 2007	
	<u>Unrestricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Total</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 165,709	\$ 165,709	\$ 112,698	\$ 112,698
Grant Receivable (Note 3.)	302,877	302,877	229,941	229,941
Prepaid Insurance	3,144	3,144	2,982	2,982
Security Deposit	-	-	2,650	2,650
Total assets	<u>\$ 471,730</u>	<u>\$ 471,730</u>	<u>\$ 348,271</u>	<u>\$ 348,271</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	\$ 299,779	\$ 299,779	\$ 247,472	\$ 247,472
Accrued Liabilities	80,470	80,470	10,052	10,052
Total liabilities	<u>\$ 380,249</u>	<u>\$ 380,249</u>	<u>\$ 257,524</u>	<u>\$ 257,524</u>
NET ASSETS (Note 2.b.)	<u>\$ 91,481</u>	<u>\$ 91,481</u>	<u>\$ 90,747</u>	<u>\$ 90,747</u>
Total liabilities and net assets	<u>\$ 471,730</u>	<u>\$ 471,730</u>	<u>\$ 348,271</u>	<u>\$ 348,271</u>

The accompanying notes are an integral part of these statements.

FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY

STATEMENT OF ACTIVITIES

	Year ended June 30, 2008		Year ended June 30, 2007	
	<u>Unrestricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Total</u>
REVENUES				
Public Support (Note 2.c.)				
Federal Grant	\$ 1,352,437	\$ 1,352,437	\$ 533,274	\$ 533,274
State of New Jersey	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Total public support	<u>\$ 1,502,437</u>	<u>\$ 1,502,437</u>	<u>\$ 683,274</u>	<u>\$ 683,274</u>
Other Income				
Interest income	<u>\$ 1,899</u>	<u>\$ 1,899</u>	<u>\$ -</u>	<u>\$ -</u>
Total other income	<u>\$ 1,899</u>	<u>\$ 1,899</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	<u>\$ 1,504,336</u>	<u>\$ 1,504,336</u>	<u>\$ 683,274</u>	<u>\$ 683,274</u>
EXPENSES				
Program Services	\$ 1,078,056	\$ 1,078,056	\$ 421,137	\$ 421,137
Support Services	<u>425,546</u>	<u>425,546</u>	<u>171,390</u>	<u>171,390</u>
TOTAL EXPENSES	<u>\$ 1,503,602</u>	<u>\$ 1,503,602</u>	<u>\$ 592,527</u>	<u>\$ 592,527</u>
INCREASE IN NET ASSETS	\$ 734	\$ 734	\$ 90,747	\$ 90,747
Net assets at beginning of year	<u>90,747</u>	<u>90,747</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u>\$ 91,481</u>	<u>\$ 91,481</u>	<u>\$ 90,747</u>	<u>\$ 90,747</u>

The accompanying notes are an integral part of these statements.



FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY  
STATEMENT OF FUNCTIONAL EXPENSES  
Years ended June 30, 2008 and 2007 (Total Expenses Only)

	2008			2007		
	Services		Total	Services		Total
	Program	Support	Expenses	Program	Support	Expenses
Salaries and Wages	\$ 233,462	\$ 190,992	\$ 424,454	\$ 115,139	\$ 78,078	\$ 193,217
Fringe Benefits	77,392	63,314	140,706	40,011	27,080	67,091
Consultants	767,202	-	767,202	244,559	-	244,559
Equipment	-	48,241	48,241	-	10,027	10,027
Insurance	-	17,250	17,250	-	271	271
Office Rent	-	68,187	68,187	-	14,981	14,981
Help Wanted Advertising	-	-	-	-	11,960	11,960
Procurement Advertising	-	-	-	7,007	-	7,007
Office Supplies and Postage	-	11,864	11,864	-	8,126	8,126
Communication	-	14,946	14,946	-	7,157	7,157
Travel	-	8,246	8,246	-	6,660	6,660
Meetings and Seminars	-	2,506	2,506	-	7,050	7,050
Pre-Award Reimbursement Costs	-	-	-	14,421	-	14,421
Total Expenses	<u>\$ 1,078,056</u>	<u>\$ 425,546</u>	<u>\$ 1,503,602</u>	<u>\$ 421,137</u>	<u>\$ 171,390</u>	<u>\$ 592,527</u>

The accompanying notes are an integral part of these statements.

FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY  
STATEMENT OF CASH FLOWS

	Year Ended <u>June 30, 2008</u>	Year Ended <u>June 30, 2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from Federal Grant	\$ 1,279,501	\$ 303,333
Cash received from State of New Jersey	150,000	150,000
Interest received	1,899	-
Cash paid to employees and suppliers	<u>(1,378,389)</u>	<u>(340,635)</u>
NET INCREASE/(DECREASE) IN CASH	\$ 53,011	\$ 112,698
Cash at beginning of year	<u>112,698</u>	<u>-</u>
Cash at end of year	<u><u>\$ 165,709</u></u>	<u><u>\$ 112,698</u></u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ 734	\$ 90,747
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase)/Decrease in other assets	2,488	(5,632)
(Increase)/Decrease in grants receivable	(72,936)	(229,941)
Increase/(Decrease) in accounts payable	52,307	247,472
Increase/(Decrease) in accrued liabilities	<u>70,418</u>	<u>10,052</u>
Net cash provided (used) by operating activities	<u><u>\$ 53,011</u></u>	<u><u>\$ 112,698</u></u>

The accompanying notes are an integral part of these statements.

## FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY

### NOTES TO FINANCIAL STATEMENTS

#### 1. NATURE OF THE AUTHORITY

The Fort Monmouth Economic Revitalization Planning Authority (the Authority), a body corporate and politic and an instrumentality of the State of New Jersey (the "State"), was created by the enactment and approval of P. L. 2006, c. 16, on April 28, 2006, by the State Legislature and the Governor, respectively, for the purpose of community economic adjustment activities related to the closure of Fort Monmouth. (Please note that P.L. 2006, c. 16 was amended by P.L. 2008, c. 28 enacted on June 30, 2008.) The New Jersey legislature found that the economies, environment, and quality of life of the affected communities and the state will depend on the efficient and proper revitalization of Fort Monmouth. The Authority is charged with the task of preparing a comprehensive conversion and revitalization plan for the Fort Monmouth facility. To assist in the accomplishment of this task the U.S. Department of Defense, Office of Economic Adjustment, awarded the Authority grants totaling \$ 3,078,417. The initial grant, CL0595-07-01, is for \$ 2,008,813, through Amendment No. 4 (as of May 15, 2008). The 90% Federal share is \$1,807,931; the 10% State match is \$ 200,882. The Calendar Year 2008 grant, CL0595-08-02, is for \$ 1,069,604 through Amendment No. 1 (as of June 16, 2008). The 90% Federal share is \$ 962,644; the 10% State match is \$ 106,960.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED DATA

##### a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

##### b. Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117 "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Authority is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Authority has no restricted net assets, temporary or permanent.

##### c. Revenue Recognition

The Authority recognizes grant revenue to the extent that expenses have been incurred for the purpose specified by the grantor during the period. The grant agreement allows for payment of actual costs plus an advance of expected future costs. Advances were requested during FY2008. As of June 30, 2008, actual grant expenditures exceeded grant payments and the grant receivable amounted to \$ 302,877.

The Authority received a state appropriation FY 2008 of \$ 150,000. These funds are being used to meet the grant's 10% matching requirement.

##### d. Income Taxes

As a public authority of the State under existing statute, the Authority is exempt from both Federal and State income taxes.



FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED DATA - continued

e. Payroll Processing

Payroll for the six person Authority staff is processed by the State of New Jersey payroll system. The Authority reimburses the State of New Jersey, Department of the Treasury, semi-annually for the salaries and fringe benefits paid.

f. Equipment

Equipment costing less than \$ 20,000 is expensed when purchased. Any equipment purchases greater than \$ 5,000 must be approved by the grantor before purchase. Grant terms prohibit the purchase of capital assets.

g. Statement of Cash Flows

The Authority maintains a checking account and a money market account with a financial institution in amounts which at times exceed the Federal Deposit Insurance Corporation (FDIC) insurance limitation of \$ 100,000. Cash deposits in these accounts totaled \$ 73,951 at June 30, 2008 and money market account interest income earned FY June 30, 2008 totaled \$ 141.

Additionally, the Authority has an account with the State of New Jersey Cash Management Fund. Cash deposits in this account totaled \$ 91,758 at June 30, 2008 and interest income earned FY June 30, 2008 totaled \$ 1,758.

h. Management's Use of Estimates

The preparation of financial statements requires the Authority to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the related disclosures, as of the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

i. Risk and Uncertainties

The Authority's business could be impacted by a reduced level of federal spending. This could adversely impact the Authority's operations in the future.

j. Grant Costs

The Authority's costs under the DoD Grant are subject to an independent follow-up audit. In the opinion of management, any adjustments resulting from subsequent audits are not expected to have an adverse effect on the accompanying financial statements.

3. GRANT RECEIVABLE

The Grant Receivable balance of \$ 302,877 at June 30, 2008, was unbilled on that date.

FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

4. OBLIGATION UNDER OPERATING LEASE

The Authority leased office space at 12 Christopher Way, Eatontown, NJ 07724, under a short-term lease agreement which expired on August 31, 2007. The base monthly rental on the property for FY2008 equaled \$6,500.

The Authority now leases office space at 2-12 Corbett Way, Eatontown, New Jersey, under a five (5) year lease agreement which expires on August 31, 2012 with one (1) three (3) year renewal option. The base monthly rental on the property for the year ending June 30, 2008 totaled \$57,750.

Future minimum lease payments under the non-cancelable operating lease as of June 30 are as follows:

Year ending June 30, 2009	\$69,300.00
Year ending June 30, 2010	\$73,237.50
Year ending June 30, 2011	\$76,650.00
Year ending June 30, 2012	\$79,800.00
Year ending June 30, 2013	\$13,387.50

5. EMPLOYEE HEALTH AND PENSION PLANS

Authority employees are covered by the State of New Jersey health and pension plans. Authority contributions to these plans are included in the fringe benefit rate paid to the State Treasury.

FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year ended June 30, 2008

	<u>Agreement Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Defense			
Planning the reuse of Fort Monmouth	CL0595-07-01	12-607	\$ 913,762
U.S. Department of Defense			
Planning the reuse of Fort Monmouth	CL0595-08-02	12-607	<u>439,480</u>
			<u>\$ 1,353,242</u>

The above schedule of expenditures of federal awards includes the federal grant activity of the Fort Monmouth Economic Revitalization Planning Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

The Audit Committee  
Fort Monmouth Economic Revitalization Planning Authority

We have audited the financial statements of Fort Monmouth Economic Revitalization Planning Authority (the Authority) as of and for the year ended June 30, 2008, and have issued our report thereon dated October 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Fort Monmouth Economic Revitalization Planning Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.



A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fort Monmouth Economic Revitalization Planning Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and the grant agreement, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the entity, and the federal awarding agency and is not intended to be and should not be used by anyone other than these specified parties.

*Leonard H. Binbaum and Company, LLP*

Summit, New Jersey  
October 15, 2008

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Audit Committee  
Fort Monmouth Economic Revitalization Planning Authority

We have audited the compliance of Fort Monmouth Economic Revitalization Planning Authority (the Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to the major federal program for the year ended June 30, 2008. The Authority's major federal program is identified in the accompanying Schedule of Federal Awards. Compliance with the requirements of laws, regulations, and the grant applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

### Internal Control Over Compliance

The management of Fort Monmouth Economic Revitalization Planning Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on the major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the entity, and the federal awarding agency and is not intended to be and should not be used by anyone other than these specified parties.

*Leonard A. Birnbaum and Company, LLP*

Summit, New Jersey  
October 15, 2008

FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY

STATUS OF PRIOR AUDIT REPORTS

As of June 30, 2008

There were no findings or questioned costs contained in the prior report which covered Fiscal Year 2007. Therefore, follow-up of prior issues was unnecessary.



FORT MONMOUTH ECONOMIC REVITALIZATION PLANNING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2008

Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weaknesses identified?      ☐ yes    ☒ no
- Reportable conditions identified  
that are not considered to be  
material weaknesses?      ☐ yes    ☒ none reported

Noncompliance material to financial  
statements noted?      ☐ yes    ☒ no

*Federal Awards*

Internal control over major program:

- Material weaknesses identified?      ☐ yes    ☒ no
- Significant deficiencies identified  
that are not considered to be  
material weaknesses?      ☐ yes    ☒ none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are  
required to be reported in accordance  
with section 510(a) of Circular A-133?      ☐ yes    ☒ no

Identification of major program:

<u>Agreement Number</u>	<u>Funding Agency</u>	<u>Major Program</u>
CL0595-07-01	DoD, OEA	Planning the reuse of Fort Monmouth
CL0595-08-02	DoD, OEA	Planning the reuse of Fort Monmouth